



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. AMIKE® FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

June 22, 2001

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2001-69

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: W-4/L-4 Agency Responsibility & Tax Calculations Based on W-4/L-4 Information

According to Internal Revenue Service (IRS) Publication 15 (Circular E, Employer's Tax Guide), employers are required to send copies of certain Forms W-4 "received during the quarter from employees still employed by you at the end of the quarter" to the IRS. This includes employees claiming "(1) more than 10 withholding allowances or (2) exemption from withholding and his or her wages would normally be more than \$200 per week."

According to the Louisiana Withholding Tables and Instructions for Employers, "employers are required to submit copies of Form R-1300 (L-4) and Form R-1307 (L-4E) furnished to them by employees who do the following: (a) claim exemptions and dependency credits totaling 15 or more, or (b) complete Form R-1307 (L-4E) to claim exemption from withholding and whose wages are more than \$200 per week at the time the Form R-1307 (L-4E) is submitted."

OSUP is responsible for forwarding these forms to the IRS and the Department of Revenue (LA DOR). **It is the agency's responsibility to determine which employees meet the criteria above and to forward copies of the Forms W-4 and L-4/L-4E to OSUP.** The Employee Tax Report (ZP65) in ISIS HR is available to assist with identifying these employees. **These forms are due to OSUP the week following the payday they were received. If we do not receive this information, any penalties assessed by the IRS or LA-DOR for failure to report will be turned over to your agency.** Note: It is not necessary to forward copies of Forms W-4 or L-4/L-4E for employees who are claiming exempt status and who at the time of completing the form earn wages of less than \$200 per week (ex. students, clients, or board members). However, in order to set up an employee with an exempt status, you must have a signed Form W-4/L-4E from the employee.

Prior to forwarding copies of Forms W-4, L-4/L-4E to OSUP, the following boxes must be completed:

Form W-4

Box 8 State of Louisiana Office of State Uniform Payroll,
1051 N. 3rd St., Baton Rouge, LA 70802
Box 10 721447520

Form L-4

Box 9 State of Louisiana Office of State Uniform Payroll,
1051 N. 3rd St., Baton Rouge, LA 70802
Box 10 1710599001

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2001-69

June 22, 2001

Page 2

If you have already written your agency's information in any of these boxes, make the change before forwarding the forms to OSUP.

Although agencies are not responsible for verifying that information included on Forms W-4, L-4 or L-4E is accurate, agencies are responsible for notifying IRS and/or LA DOR if they have reason to believe that the information is incorrect. In these cases, agencies should notify the IRS or LA DOR directly. OSUP will not notify these two agencies for these situations.

The following information taken directly from the ISIS HR Bulletin Board explains how taxes are calculated on leave payouts and **why it is important for employees to not make W-4/L-4 changes when leave payouts are expected:**

“TAX CHANGES (IT210)

- ISIS HR handles taxing for leave payouts differently than it does for the employee's normal gross wages.
- Gross wages generated by a payout (Maintain Leave Compensation IT416 or an auto payment of compensatory hours which exceeded allowable cap) is converted into the equivalent of 80 hour wage amounts, forcing the tax to be calculated as multiple pay period results.
- This contrasts how UPS formerly added the payment gross to current period taxable wages, thus overstating the biweekly wages resulting in large withholding amounts.

We **DO NOT** suggest allowing employees to change their tax withholding status for a single pay period to accomplish the tax "savings" that ISIS calculates automatically. If you do allow a change, the result may be that taxes are actually under-withheld.

When calculating an employee's tax withholding amount, ISIS HR looks at the tax record in effect on CHECK DATE not the tax record active for the pay period date range. So, pay close attention to the FROM date entered on the tax record (IT210) when making a change.”

If you have any questions, please contact a member of the Wage & Tax Administration Unit:

Rachel Bryant
Cindy McClure

(225) 342-1651
(225) 342-1652

Rhonda Desselle

(225) 342-8928